

Town of Vienna

BIANNUAL ECONOMIC INDICATORS REPORT

Q1 and Q2 2023

INTRODUCTION

The Town of Vienna Economic Development Division produces a biannual report that tracks a range of economic indicators that provide insight into the Town's business performance, trends, and overall economic health. These indicators include the number of new businesses, commercial vacancy rates, employment, housing sales, tourism, and more. The data is collected from a variety of sources including other Town Departments and showcases the first two quarters of 2023 (January 2023 to June 2023). This report also provides observations and comparisons to Fairfax County and the Washington Metro Region.



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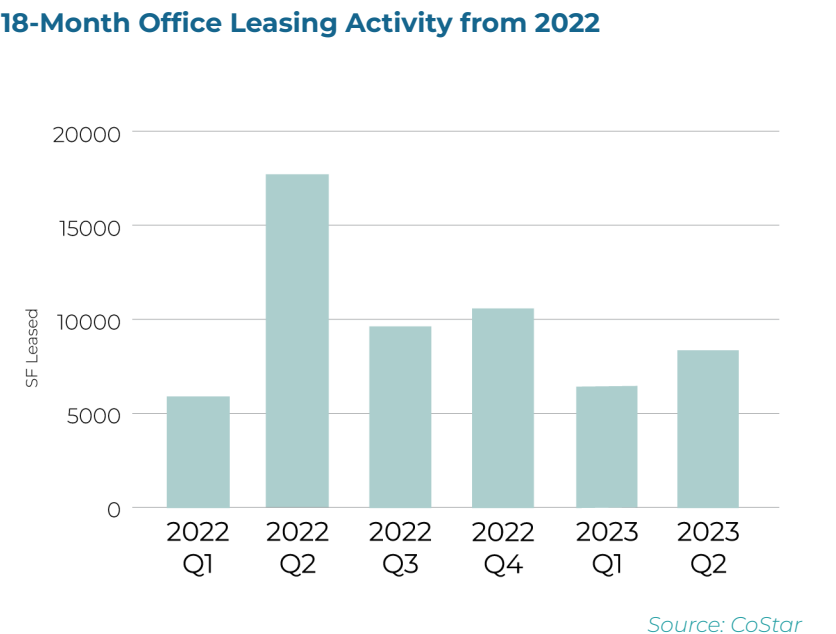
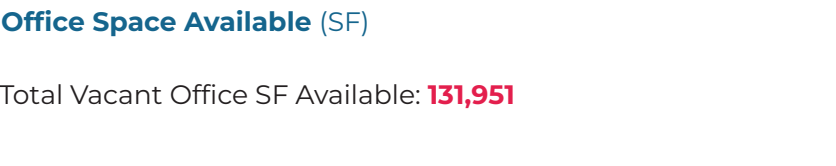
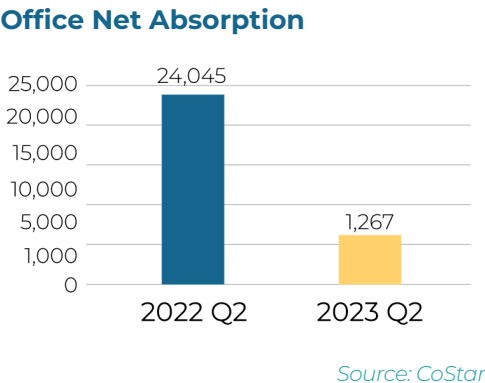
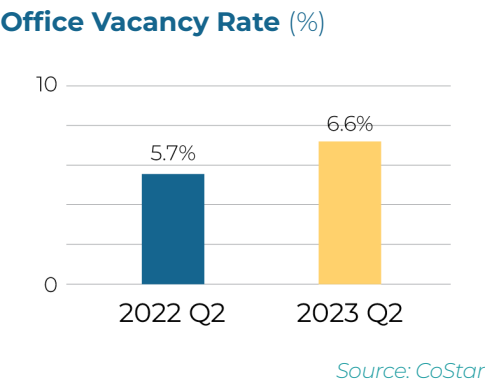
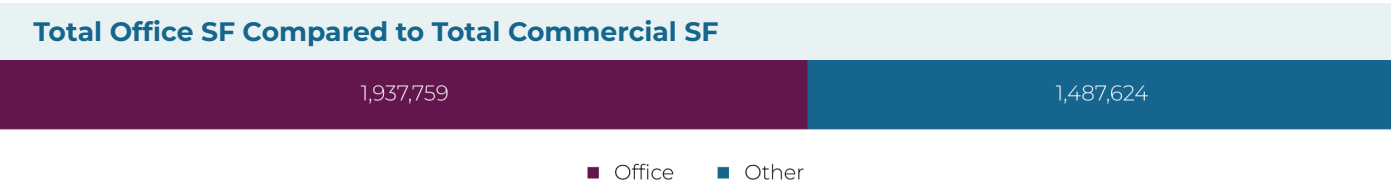
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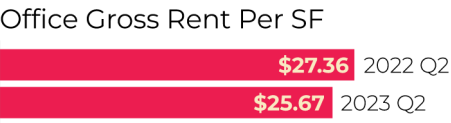
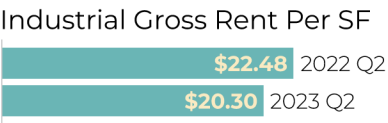
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COMMERCIAL SPACE



Q2 Comparisons for Gross Rent Overall (Office, Retail and Industrial)



Source: CoStar

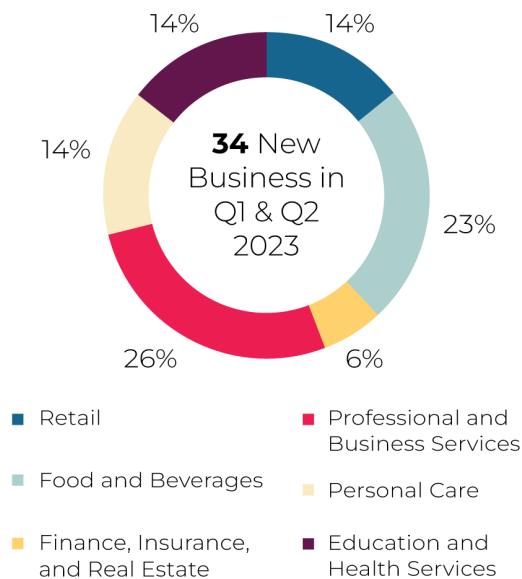
BUSINESS LICENSE DATA

The number of business licenses within the first two quarters of 2023 shows a slight decrease when comparing the number of new business licenses issued in the same period in 2022. Notably, 26 percent of the licenses issued between January 2023 and June 2023 have been for home-based businesses. Among the 9 newly licensed home-based businesses, 4 were in the business and professional services sector and 3 were in the retail sector.

Time Frame	# of Businesses	# of Home-Based Businesses	% Home-Based Businesses
Business Licenses Issued in Q1 - Q2 2023	34	9	26%
Business Licenses Issued in Q1 - Q2 2022	41	15	37%
Total # of Business Licenses in Vienna	1841	474	26%

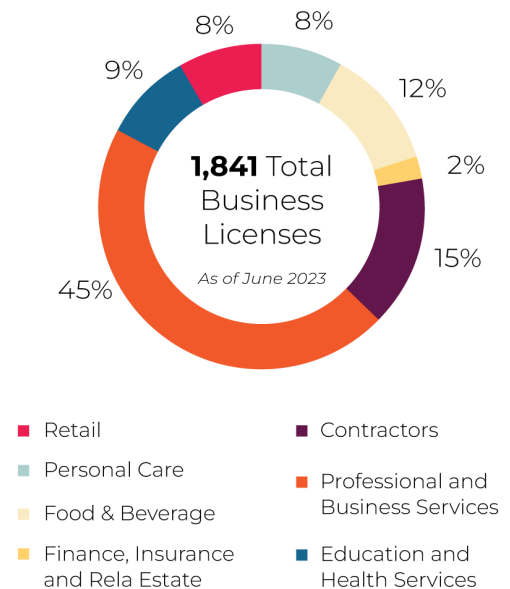
Source: Town of Vienna Department of Finance

New Businesses Added Q1 + Q2 2023



Source: Town of Vienna Department of Finance

Total Business Breakdown

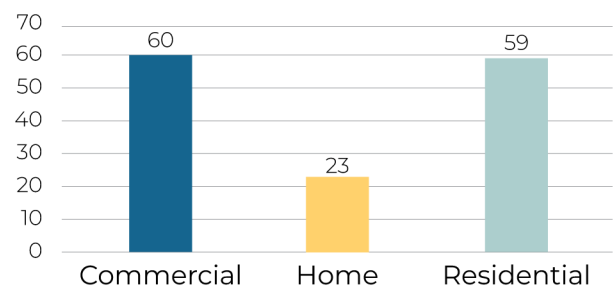


Source: Town of Vienna Department of Finance

Commercial Occupancy Data

A Certificate of Occupancy (CO) is required before a property can be legally occupied or used for a specific purpose, such as residential, commercial, or industrial. The Department of Planning and Zoning is responsible for reviewing applications and issuing certificates for a CO. The following table shows the type and number of commercial occupancy certificates that were issued between January 2023 and June 2023.

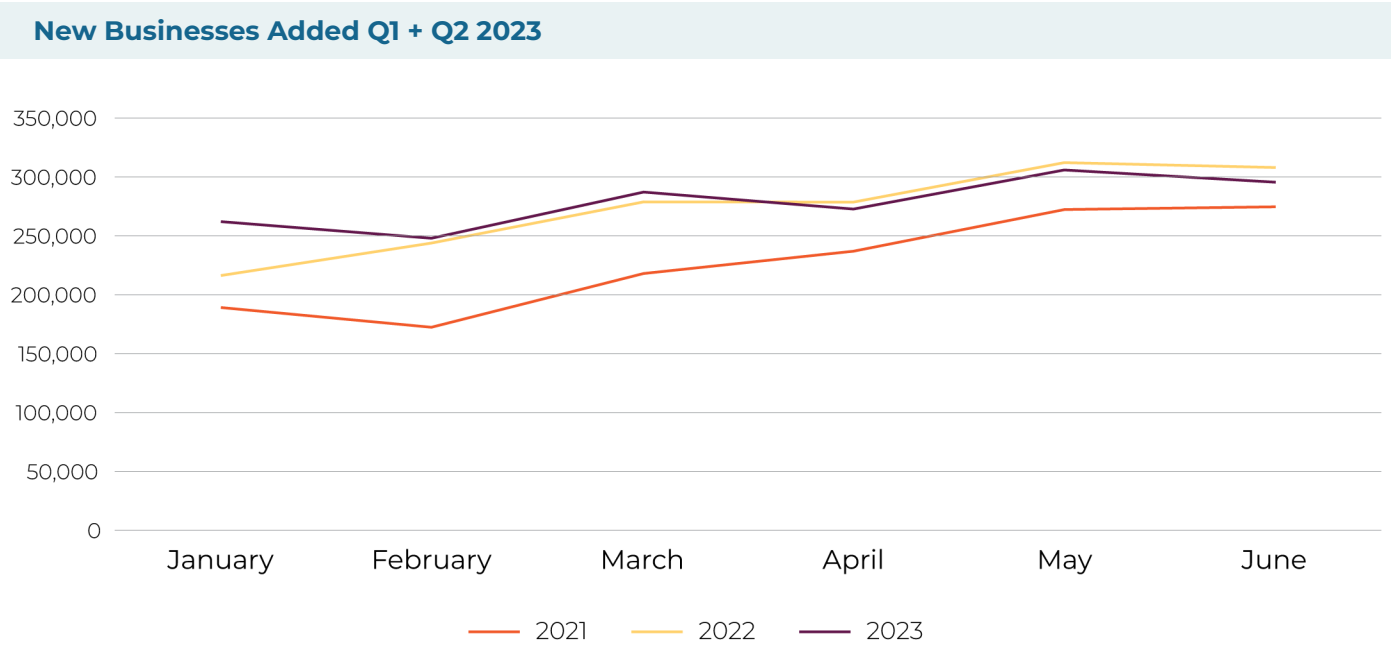
Count of Issued Commercial Occupancy Types



Source: Town of Vienna Department of Planning & Zoning

MEALS TAX RECEIVED

In the first two quarters of 2023, the Town has seen consistent growth in meals taxes received. The total revenue from January to June in 2023 was about \$1.67 million. This total shows a slight increase of 2percent in total meals tax revenue when comparing the same period in 2022. Overall, the continues to see strong support from the Town of Vienna’s residents, visitors, and commuters.



Source: [Town of Vienna Department of Finance](#)

TOURISM OVERVIEW

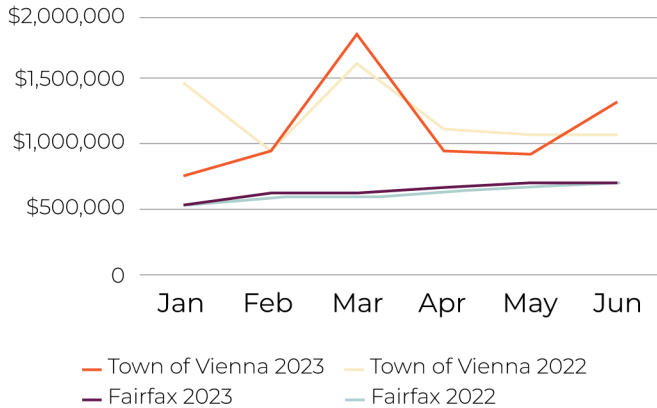
In 2022, tourism data for Fairfax revealed interesting demographics. The majority of decision-makers on travel were women, comprising 72 percent of the total. The largest age group of travelers fell within the 35-54 range. The median household income of these travelers ranged between \$95,000 and \$110,000. A significant portion, 74 percent, preferred to travel distances of less than 100 miles. On average, travel groups consisted of 2.2 adults per trip.

Source: [Visit Fairfax](#)

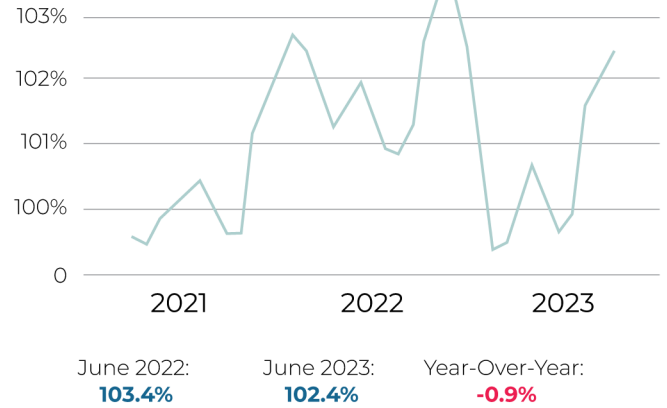
HOUSING

In the first two quarters of 2023, the Vienna home real estate market has seen noticeable change. At the end of quarter two, on average homes took an average of 30 days to sell—significantly longer than 6 days seen in the previous year. Additionally, the number of homes sold in May this year has decreased to 20, down from 29 during the same period last year. The market remained competitive for sellers, as homes sold for about 3 percent above their list price. Buyers needed to act swiftly during this time, as homes on average moved to pending status 19 days after listing.

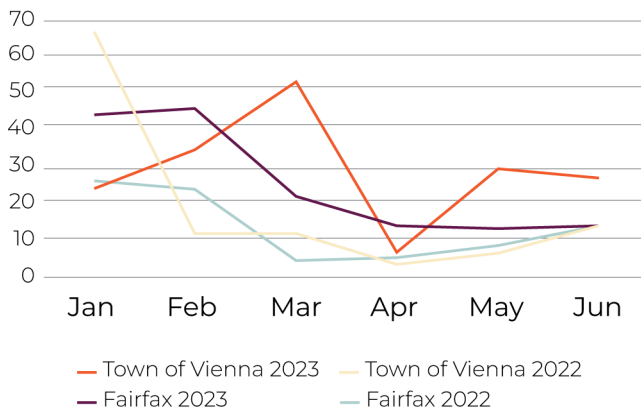
Median Household Price All Households



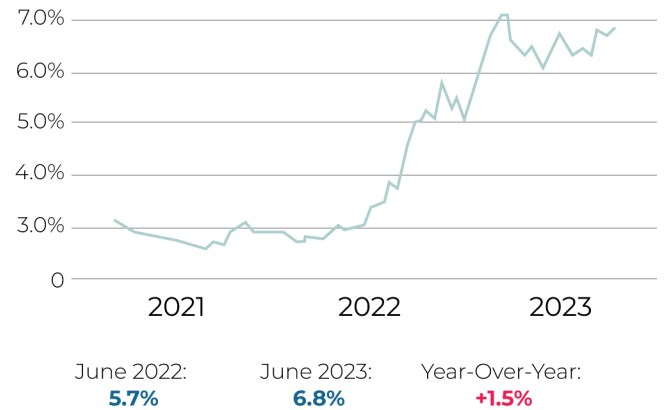
Average Sale-to-List Percentage



Days on the Market



Mortgage Rates



Redfin Market Highlights from June 2023 (Zip code: 22180)

According to [Redfin](#), a national real estate brokerage, home sales in the Vienna zip code 22180 within the Washington, DC metro in June 2023 were down 28 percent from last June. About 29 percent of Redfin customers waived either a financing or inspection contingency last month. On average, homes sell for about 2 percent above their asking price. The typical home that sold last month sold for \$925,000, which is 1 percent less than the year before. At the same time, the number of homes for sale is declining by 31 percent over the year.

Source: Redfin

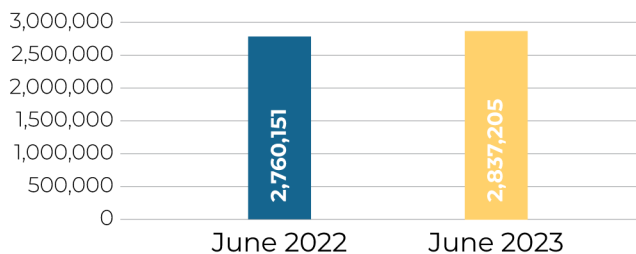
LABOR FORCE

Regional Labor Force

DMV Metropolitan Region: The Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area includes the District of Columbia; Calvert, Charles, and Prince George's Counties in Maryland; Arlington, Clarke, Culpeper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren Counties, and Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park cities in Virginia; and Jefferson County in West Virginia.

Regional Civilian Labor Force

(unemployed and employed)



Fairfax County Unemployment Rate

Month	Unemployment Rate	1-Month % Change
Jan	2.7	22.7
Feb	2.4	-11.1
Mar	2.4	0.0
Apr	2.1	-12.5
May	2.3	9.5
Jun	2.5	8.7

Note:

June 2023 Civilian Labor Force:

671,993

People

Unemployment Rate June 2023

2.5%

Fairfax County

Page Sources: U.S. Bureau of Labor Statistics; US Census Bureau, 2021 ACS 5-Year Estimates

Town of Vienna Employment by Industry Sector

Civilian Employed Population 16 years and Over (Estimate: 14,224)	Number	Percentage
Agriculture, Forestry, Fishing and Hunting, and Mining	8	0.1%
Construction	297	2.6%
Manufacturing	328	2.5%
Wholesale Trade	150	1.4%
Retail Trade	742	5.4%
Transportation and warehousing, and utilities	384	3.4%
Information	404	2.9%
Finance and insurance, and real estate and rental and leasing	1,128	8.9%
Professional, scientific, and management, and administrative and waste management services	4,860	29.8%
Educational services, and health care and social assistance	2,674	20.3%
Arts, entertainment, and recreation, and accommodation and food services	780	6.9%
Other services except public administration	885	6.1%
Public administration	1,584	9.6%

Regional CPI-U

CPI-U: The consumer price index is a measure of the average change in prices of a fixed market basket of goods and services. The basket of goods includes food, clothing, shelter, fuel, transportation fares, charges for doctors' and dentists' services, drugs, and other day-to-day expenses. The Consumer Price Index for Washington-Arlington-Alexandria is published bi-monthly.

Date	Percent Change
May 2022	7.5%
May 2023	3.1%

Year-over-year percent change in CPI-U

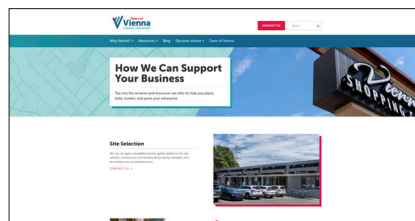
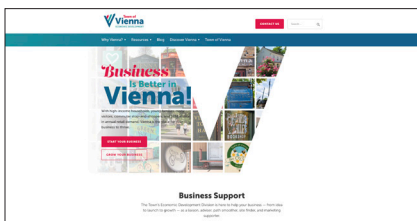
SELECTED ECONOMIC DEVELOPMENT DIVISION Q1 & Q2 MARKETING PROJECTS

The first six months of 2023 have been active in the Town of Vienna and the Economic Development Division. Below are summaries of selected projects that the Economic Development Division worked on throughout the first half of 2023.



Explore Vienna VA Website

[Explore Vienna VA](#) is a new website to support the business community and attract visitors to our community! The [website](#) was launched in March 2023. Entrepreneurs and aspiring business owners can benefit from various resources provided through the website including the business directory, business events calendar, Town of Vienna business data, and resource partner information.



Vienna Restaurant Week

In March 2023, the Economic Development Division, with the support of the Vienna Business Association and the Vienna VA Foodies, kicked off Vienna Restaurant Week—promoting 50 restaurants and specialty food and beverage shops in the Town of Vienna through social media, radio ads, television segments, and digital news mentions. These efforts are estimated to have reached up to 19 million—boosting general visibility for the Town and meals taxes.



Thrive Awards

In May 2023, the Economic Development Division hosted the *Thrive Awards*—a formal event hosted in partnership with the Town Business Liaison Committee honoring 43 businesses for being in business in the Town for 20 years or more.



GLOSSARY OF TERMS:

Availability Rate: The availability rate represents the percentage of vacant and sublet space in the commercial property market relative to the total leasable square footage. It quantifies the proportion of space available for potential tenants or buyers.

Available Asking Rent/SF: The available asking rent per square foot is the average rate at which landlords or property owners are offering the available space to potential tenants or lessees. It indicates the rental cost per square foot for the available properties.

Available SF: Available SF is the combined square footage of both vacant and sublet space that is available for potential lease or purchase. It represents the total amount of space that is currently unoccupied or being subleased.

For Sale Listings: The number of properties currently listed and available for sale.

Months to Sale: The average number of months it takes for a property to be sold in the market.

Net Absorption Rate: The sum of square feet that became physically occupied, minus the sum of square feet that became physically vacant during a specific period (e.g., quarterly or annually).

Occupancy Rate: The occupancy rate is the percentage of currently occupied space in the commercial property market. It indicates the proportion of properties that are leased or in use compared to the total available space. A higher occupancy rate generally suggests higher demand and a healthier market, while a lower rate may indicate a surplus of available space.

Percent Leased Rate: The percent leased rate is like the occupancy rate and represents the percentage of occupied space in the market. It is calculated by dividing the total leased square footage by the total leasable square footage and then multiplying by 100.

Properties Sold: The number of properties that were successfully sold during the given period.

Public Administration: Public administration plays a vital role in the town of Vienna by employing 16 years and older individuals at a rate of 9.6 percent, offering various administrative and governance positions essential for the smooth functioning of local government services and public institutions.

Sales to Asking Price Differential: The percentage difference between the final sale price of a property and its initial asking price.

Sales Volume: The total monetary value of all properties sold within a specific time frame.

Sublet SF: Sublet SF represents the total square footage of space within a property that is leased out by the current tenant to another party. In this context, it reflects the portion of space that is being subleased by the primary tenant.

Total For Sale SF: The combined square footage of all properties listed for sale.

Vacant SF: Vacant SF refers to the total square footage of unoccupied or empty space in commercial properties. It represents the available space that is not currently leased or occupied.

Available SF: The average price per square foot at which properties are listed for sale in the real estate market.

Wholesale Trade: Wholesale trade refers to the industry involved in the purchase and resale of goods in large quantities, typically to retailers, other businesses, or institutional buyers, rather than to individual consumers.